

To the Board of Trustees  
**Emergency Medical Services Authority**

We are pleased to present this report related to our audits of the financial statements and schedule of expenditures of federal awards of the Emergency Medical Services Authority (the Authority) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees (Board) and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

### **Our Responsibilities with Regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated May 29, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated June 25, 2024 regarding the planned scope and timing of our audit and identified significant risks. We made no significant changes to the scope or timing of procedures.

### **Accounting Policies and Practices**

Preferability of Accounting Policies and Practices - Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies - Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies - We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant or Unusual Transactions - We did not identify any significant or unusual transactions.

Management’s Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the Authority’s financial statements.

- Allowance for Doubtful Accounts: The allowance for doubtful accounts is based on management’s estimate of collectability of identified receivables, as well as aging of customer accounts. The allowance is adjusted as information and specific accounts become available. The Authority also compares current allowance amounts to prior-year collection or write-off experience. We tested the underlying information supporting this allowance, including the most recent aging reports and collection experience.
- Allowance for Contractual Adjustments: The allowance for contractual adjustments is based on third-party payor contracts, analysis of historical trends and other factors. The contractual allowances are adjusted as information about third-party payor contracts becomes available, as changes in contracts occur and as payment items are known. We tested the underlying information supporting this allowance, including the most recent accounts receivable reports by payor and write-off experience.

**Audit Adjustments and Uncorrected Misstatements**

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected misstatements are summarized below. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expense
Carryover impact from previous years	\$ --	\$ --	\$ (1,860,323)	\$ 1,957,000	\$ 96,677
<b>Current year difference in estimate:</b>					
To reclassify payable balances out of accounts receivable and adjust the allowance for doubtful accounts as a result	498,000	2,128,000	--	(1,630,000)	--
Subtotal	<u>\$ 498,000</u>	<u>\$ 2,128,000</u>		<u>\$ 327,000</u>	<u>\$ 96,677</u>
Effect of current year passed adjustments on change in net position			230,323		
Total estimated effect on net position			<u>\$ (1,630,000)</u>		

**Management Representations**

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles and also includes the more significant and specific oral representations made by

officers and employees during the course of the audit. The letter is intended to reduce the possibility of misunderstandings between us and the Authority and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

### **Other Information Included in Annual Reports**

Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the Authority's transmittal letter and statistical sections. We did not identify material inconsistencies with the audited financial statements.

### **Observations About the Audit Process**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year; we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements; we are not aware of any consultations management had with other accountants about accounting or auditing matters; no significant issues arising from the audit were discussed or the subject of correspondence with management; we did not encounter any difficulties in dealing with management relating to the performance of the audit; and we did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

### **Shared Responsibilities for Independence**

Independence is a **joint responsibility** and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA and *Government Accountability Office* (GAO) independence rules. For Allen, Gibbs & Houlik, L.C. (AGH) to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and AGH each play an important role.

### **Our Responsibilities**

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. AGH is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality control over compliance with independence rules and firm policies.

### **The Authority's Responsibilities**

- Timely inform AGH, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, officers, or persons in financial reporting and compliance oversight roles.
  - Changes in the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Authority and its affiliates, officers,

directors, or persons in a decision-making capacity, engaging in business relationships with AGH.

- Not entering into arrangements of nonaudit services resulting in AGH being involved in making management decisions on behalf of the Authority.
- Not entering into relationships resulting in AGH, AGH covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Authority.

### **Other Matters**

Cybersecurity - Effective cybersecurity risk management continues to be more important than ever in today's environment. Those charged with governance and executive management (the governance team) face an enormous challenge: to oversee how the organization manages cybersecurity risk.

An effective cybersecurity risk management program includes assessments of your comprehensive risk, controls and vulnerabilities to provide reasonable, but not absolute, assurance that material breaches are prevented or detected, and mitigated in a timely manner. The combined effects of an organization's dependency on IT, the complexity of IT networks and business applications, extensive reliance on third parties and human nature (i.e., susceptibility to social engineering) are only likely to increase the need for effective cybersecurity risk management programs.

As a best practice, we encourage executive management to be intimately involved with the risk management program and to share the results with the governance team.

Pending Governmental Accounting Standards - GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for financial statements for the Authority's fiscal year ending June 30, 2024. The Authority is evaluating the potential effects on the financial statements.

GASB Statement No. 102, Certain Risk Disclosures, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the Authority's fiscal year ending June 30, 2026. The Authority is evaluating the potential effects on the financial statements.

Comprehensive Policy and Procedure Review - Given the broad and deep scope of your operations, you should consider completing a comprehensive evaluation of the adequacy and effectiveness of the entity's internal financial policies, processes and procedures, including a comparison to best practices among organizations the same size.

For entities that have experienced budget cuts in the finance area or those that have experienced turnover, a periodic review of controls is imperative. Even if your finance team has been stable over the years, we remind you that even the best design of controls is only as good as the people who carryout and execute such controls.

Financial policies, procedures and processes are a key element of sound fiscal administration. When policies are effective, they can preserve or enhance the fiscal health and wealth of the organization and create efficiencies for staff members.

This comprehensive evaluation could include:

1. Evaluation of existing controls
2. Identification of financial policies that could lead to vulnerability to fraud and/or abuse
3. For those identified weaknesses and risks, recommendations for improvements

AGHUniversity Resources - As part of AGH's ongoing commitment to serve as a trusted advisor, we offer these resources as a key part of the additional value AGH provides beyond the engagement itself:

- AGHUniversity.com - a full schedule of complimentary CPE or current and relevant topics and other updates to clients throughout the year. Free registration and webinars are available for the Company's staff and board members at aghuniversity.com. A sample of recent topics include Lease accounting; Become a destination employer: 5 factors you must get right; 6 steps to improving employee soft skills - Along with productivity and profitability; Measuring what matters in your 401(k) plan for recruitment, retention and reward; Cybersecurity: Protect your organization from cybercriminals; and 10 steps to prepare your business for a sale.
- AGH alerts and newsletters - This includes periodic mailings or emails to alert clients to new accounting standards or regulatory changes.

### **Closing**

We will be pleased to respond to any questions you have about this report or set up an introductory meeting to discuss the other recommendations at no charge. We appreciate the opportunity to continue to be of service to Emergency Medical Services Authority.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
September 30, 2024

***EMERGENCY MEDICAL SERVICES AUTHORITY***

FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL SCHEDULES

YEARS ENDED JUNE 30, 2024 AND 2023

WITH

INDEPENDENT AUDITOR'S REPORT

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FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL SCHEDULES  
YEARS ENDED JUNE 30, 2024 AND 2023  
WITH  
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**FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL SCHEDULES**

Years Ended June 30, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
**Emergency Medical Services Authority**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the Emergency Medical Services Authority (Authority), as of and for the years ended June 30, 2024 and 2023, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government*

*Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
September 30, 2024

## EMERGENCY MEDICAL SERVICES AUTHORITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

This Management's Discussion and Analysis (MD&A) of the Emergency Medical Services Authority (Authority) provides an overview of the Authority's financial activities for the years ended June 30, 2024 and 2023. Please consider this information in conjunction with the financial statements and the accompanying notes to basic financial statements that follow this section. Unless otherwise indicated, amounts are in thousands.

#### Financial Highlights

- Cash and cash equivalents increased in 2024 by \$20 or 0.13% and decreased in 2023 by \$8,723 or 35.82%
- The Authority's net position increased in 2024 by \$10,009 or 22.20% and increased in 2023 by \$9,288 or 25.95%
- The Authority reported operating losses both in 2024 of \$3,030 and 2023 of \$3,697. The operating loss in 2024 decreased by \$666 or 18.02% over the operating loss reported in 2023. The operating loss in 2023 decreased by \$3,726 or 50.20% over the operating loss reported in 2022.
- Net nonoperating revenues increase by \$54 or 0.42% in 2024 compared to an increase by \$1,133 or 9.56% in 2023.

#### Using this Annual Report

The Authority's financial statements consist of three statements - a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows. These statements provide information about the activities of the Authority, including resources held by the Authority but restricted for specific purposes by creditors, contributors, grantors or enabling legislation. The Authority is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting.

#### The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position

One of the most important questions asked about any organization's finances is, "Is the organization as a whole better or worse off as a result of the year's activities?" The statement of net position and the statements of revenues, expenses and changes in net position report information about the Authority's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. Using the accrual basis of accounting means that all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net position and changes in them. The Authority's total net position - the difference between assets and liabilities - is one measure of the Authority's financial health whether its financial health is improving or deteriorating. Other nonfinancial factors, such as changes in the Authority's patient base, changes in legislation and regulations, measure of the quantity and quality of services provided to its patients and local economic factors should also be considered to assess the overall financial health of the Authority.

**EMERGENCY MEDICAL SERVICES AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended June 30, 2024**

**The Statements of Cash Flows**

The statements of cash flows report cash receipts, cash payments and net changes in cash resulting from four defined types of activities. They provide answers to such questions as; where did cash come from, what was cash used for, and what was the change in cash during the reporting period.

**The Authority's Net Position**

The Authority's net position is the difference between its assets and liabilities reported in the statement of net position. The Authority's net position increased by \$10,009 or 22.20% in 2024 over 2023 and increased by \$9,288 or 25.95% in 2023 over 2022, as shown on Table 1.

Table 1 - Assets, Liabilities and Net Position

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Current and other assets	\$ 33,196	\$ 32,836	\$ 43,573
Capital assets, net	<u>31,146</u>	<u>21,944</u>	<u>16,902</u>
<b>Total assets</b>	<u>\$ 64,342</u>	<u>\$ 54,780</u>	<u>\$ 60,475</u>
<b>Liabilities</b>			
Current liabilities	\$ 9,068	\$ 8,776	\$ 23,037
Noncurrent liabilities	<u>188</u>	<u>927</u>	<u>1,649</u>
<b>Total liabilities</b>	<u>\$ 9,256</u>	<u>\$ 9,703</u>	<u>\$ 24,686</u>
<b>Net Position</b>			
Investment in capital assets	\$ 30,220	\$ 20,294	\$ 14,546
Unrestricted	<u>24,866</u>	<u>24,783</u>	<u>21,243</u>
<b>Total net position</b>	<u>\$ 55,086</u>	<u>\$ 45,077</u>	<u>\$ 35,789</u>
<b>Total liabilities and net position</b>	<u>\$ 64,342</u>	<u>\$ 54,780</u>	<u>\$ 60,475</u>

Current and other assets increased in 2024 by \$359 and decreased in 2023 by \$10,737. The decrease in 2023 is due to the settlement of a contract dispute with the prior ambulance contractor. This is discussed further in Note 10. Cash and cash equivalents have increased by \$20 or 0.13%.

Current liabilities increased in 2024 by \$292 or 3.32% and decreased in 2023 by \$14,261 or 61.90% due to the settlement of a contract dispute with the prior ambulance contractor. The noncurrent liabilities in 2024 is reflective of the continued pay down of a long-term debt instrument entered into in 2017. This is further discussed in Note 8 to the financial statements.

The 2024 increase in net position is a result of several factors, all of which are described within the "Operating Results" and "Nonoperating Revenues" sections below.

**Operating Results**

In 2024, operating revenues increased \$4,119 or 4.50%. The increase in operating revenue is due primarily to volume growth and improved reimbursement in both divisions.

In 2024, operating expenses increased \$3,452 or 3.63%, primarily due to increased cost associated with staffing and increased volume.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

Table 2 - Operating Results and Changes in Net Position

	2024	2023	2022
Operating revenues	\$ 95,576	\$ 91,458	\$ 66,918
Nonoperating revenues	13,111	13,107	11,920
<b>Total revenues</b>	<b>\$ 108,687</b>	<b>\$ 104,565</b>	<b>\$ 78,838</b>
Operating expense	\$ 98,607	\$ 95,154	\$ 74,341
Nonoperating expense	71	122	68
<b>Total expenses</b>	<b>\$ 98,678</b>	<b>\$ 95,276</b>	<b>\$ 74,409</b>
<b>Increase in net position</b>	<b>\$ 10,009</b>	<b>\$ 9,289</b>	<b>\$ 4,429</b>

### Nonoperating Revenues

Nonoperating revenues consist primarily of noncapital grants and contributions from various state and federal agencies for specific programs, interest income, noncapital subsidies provided by the Eastern and Western Divisions, and appropriations from the City of Tulsa's Rate Stabilization Fund and the City of Oklahoma City's Medical Service Program Fund to reimburse the Authority for services provided under the EMSAcare program.

Noncapital grants and contributions received increased in 2024 by \$36 or 5.12% and increased in 2023 by \$45 or 6.67%.

Noncapital subsidies received decreased by \$615 or 5.01% in 2024 due to decreases in requests for payments from both beneficiary and non-beneficiary cities in the Western Division due to reduction in contract labor due to staffing shortages.

### The Authority's Cash Flows

Changes in the Authority's cash flows are consistent with changes in operating losses and nonoperating revenues and expenses for 2024 and 2023 discussed earlier.

### Capital Assets

At the end of 2024, the Authority had \$31,146 invested in capital assets, net of accumulated depreciation, as detailed in Note 5 to the financial statements. In 2024, the Authority purchased new equipment and building improvements costing \$13,625 compared to \$8,873 in 2023.

### Long-Term Debt

At the end of 2024, the Authority had \$188 in long-term debt, less current maturities of \$739, as detailed in Note 8 to the financial statements.

### Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, 1417 N. Lansing, Tulsa, Oklahoma 74106.

**EMERGENCY MEDICAL SERVICES AUTHORITY**

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

**ASSETS**

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 15,653,151	\$ 15,632,848
Patient accounts receivable, net of allowance for bad debts and contractual allowances of \$51,082,576 and \$48,209,910	15,621,093	13,155,571
Grant receivables	223,249	214,319
Other receivables	324,688	2,815,689
Prepaid expenses	<u>1,361,154</u>	<u>1,002,281</u>
 Total current assets	 33,183,335	 32,820,708
 Capital assets, non-depreciable	 2,397,139	 1,198,701
Capital assets, net of depreciation	28,749,360	20,745,223
Other assets	<u>12,220</u>	<u>15,733</u>
 Total assets	 <u>\$ 64,342,054</u>	 <u>\$ 54,780,365</u>

**LIABILITIES AND NET POSITION**

	<u>2024</u>	<u>2023</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 7,890,632	\$ 7,493,774
Quality assurance fund payable	438,124	559,965
Current maturities of long-term debt	<u>739,298</u>	<u>722,603</u>
 Total current liabilities	 <u>9,068,054</u>	 <u>8,776,342</u>
 Long-term debt, less current maturities	 <u>187,475</u>	 <u>926,773</u>
 Total liabilities	 <u>9,255,529</u>	 <u>9,703,115</u>
<b>NET POSITION</b>		
Net investment in capital assets	30,219,726	20,294,548
Unrestricted	<u>24,866,799</u>	<u>24,782,702</u>
 Total net position	 <u>55,086,525</u>	 <u>45,077,250</u>
 Total liabilities and net position	 <u>\$ 64,342,054</u>	 <u>\$ 54,780,365</u>

The accompanying notes are an integral part of these financial statements.

**EMERGENCY MEDICAL SERVICES AUTHORITY**

**STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUE, NET</b>	<b>\$ 95,576,271</b>	\$ 91,457,664
<b>OPERATING EXPENSES</b>		
Contracted professional services	3,304,642	4,007,465
Salaries, wages and benefits	72,397,592	69,073,863
Lease, maintenance and utilities	9,133,600	8,825,239
Medical supplies and other	8,846,400	9,551,659
Grant expenditures	671,972	674,630
Depreciation	4,252,432	3,021,345
	<u>98,606,638</u>	<u>95,154,201</u>
Total operating expenses		
Operating loss	<u>(3,030,367)</u>	<u>(3,696,537)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Investment income	705,545	123,659
Interest expense	(31,560)	(47,745)
Loss on disposal of fixed assets	(40,066)	(74,638)
Noncapital grants and contributions	748,944	712,445
Capital and noncapital subsidies	11,656,779	12,271,484
	<u>13,039,642</u>	<u>12,985,205</u>
Total nonoperating revenues		
<b>Change in net position</b>	<b>10,009,275</b>	9,288,668
Net position, beginning of year	<u>45,077,250</u>	<u>35,788,582</u>
Net position, end of year	<u><u>\$ 55,086,525</u></u>	<u><u>\$ 45,077,250</u></u>

The accompanying notes are an integral  
part of these financial statements.



**EMERGENCY MEDICAL SERVICES AUTHORITY**

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Receipts from and on behalf of patients	\$ 92,949,752	\$ 94,473,910
Payments to suppliers and contractors	(21,895,944)	(35,847,771)
Payments to and on behalf of employees	(71,866,633)	(69,534,172)
Grant expenditures	(671,972)	(674,630)
<b>Net cash flow from operating activities</b>	<u>(1,484,797)</u>	<u>(11,582,663)</u>
Cash flows from noncapital financing activities:		
Noncapital subsidies received	14,308,777	10,897,949
Noncapital grants and gifts received	740,014	729,717
<b>Net cash flow from noncapital financing activities</b>	<u>15,048,791</u>	<u>11,627,666</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(13,624,941)	(8,515,614)
Gain(loss) on disposal of capital assets	(40,066)	(74,638)
Proceeds on disposal of capital assets	169,934	452,319
Payments on long-term debt	(722,603)	(706,420)
Interest paid on term debt	(31,560)	(47,745)
<b>Net cash flow from capital and related financing activities</b>	<u>(14,249,236)</u>	<u>(8,892,098)</u>
Cash flows from investing activities:		
Interest on deposits	705,545	123,659
<b>Net cash flow from investing activities</b>	<u>705,545</u>	<u>123,659</u>
<b>Net change in cash and cash equivalents</b>	<b>20,303</b>	<b>(8,723,436)</b>
Cash and cash equivalents, beginning of year	<u>15,632,848</u>	<u>24,356,284</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 15,653,151</b></u>	<u><b>\$ 15,632,848</b></u>

The accompanying notes are an integral part of these financial statements.

**EMERGENCY MEDICAL SERVICES AUTHORITY**

STATEMENTS OF CASH FLOWS  
(CONTINUED)

Years Ended June 30, 2024 and 2023

Reconciliation of cash and cash equivalents to the  
statement of net position:

Cash and cash equivalents	<u>\$ 15,653,151</u>	<u>\$ 15,632,848</u>
Total cash and cash equivalents	<u>\$ 15,653,151</u>	<u>\$ 15,632,848</u>

Reconciliation of operating loss to net cash flow from  
operating activities:

Operating loss	\$ (3,030,367)	\$ (3,696,537)
Adjustments to reconcile operating loss to net cash flow from operating activities:		
Depreciation	4,252,432	3,021,345
Changes in operating assets and liabilities:		
Patient accounts receivable, net	(2,465,522)	3,016,246
Receivables from contractors	--	380,170
Prepaid expenses	(358,873)	(27,495)
Other assets	(157,484)	--
Payable to suppliers and contractors	(255,942)	(13,816,083)
Payable to employees	<u>530,959</u>	<u>(460,309)</u>
<b>Net cash flow from operating activities</b>	<u>\$ (1,484,797)</u>	<u>\$ (11,582,663)</u>

The accompanying notes are an integral  
part of these financial statements.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 1. NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - the Emergency Medical Services Authority (Authority) was organized as a public trust (Trust) in 1977 to provide emergency medical services and transportation for the residents of the City of Tulsa, Oklahoma, who are the sole beneficiary of the Trust. On March 1, 1990, the Trust indenture was amended and restated to include the City of Oklahoma City, Oklahoma, as a beneficiary of the Trust. As a result, certain assets and liabilities of the Oklahoma City Municipal Facilities Authority (OCMFA) were transferred to the Authority. The Authority primarily earns revenues by providing emergency medical services and transportation for the residents of Tulsa and Oklahoma City, Oklahoma, and to certain nonbeneficiary member jurisdictions surrounding Tulsa and Oklahoma City, referred to as the Eastern Division and Western Division, respectively.

Reporting Entity - The Authority is a joint venture of the City of Tulsa and the City of Oklahoma City. The City of Tulsa, the City of Oklahoma City and the surrounding nonbeneficiary member jurisdictions provide noncapital subsidies, primarily funded from water-tap assessments to the Authority for use in operations.

In 2005, the Authority created a nonprofit corporation, EMSA Initiatives for Public Health, Inc. (Corporation) to provide free car seats and education to predominately low-income residents of the City of Tulsa, the City of Oklahoma City and the surrounding nonbeneficiary member jurisdictions. The Corporation was formed under Section 501(c)(3) of the Internal Revenue Code. The Corporation had no activity during the years ended June 30, 2024 and 2023.

Basis of Accounting and Presentation - The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from voluntary nonexchange transactions (principally federal and state grants and city subsidiaries) are recognized when all applicable eligibility requirements are met. Amounts shown as grant expenditures in the financial statements are primarily funded through noncapital grants and contributions. Operating revenues and expenses include exchange transactions. Voluntary nonexchange transactions (such as noncapital grants, contributions, city appropriations and subsidiaries), investment income and interest expense are included in nonoperating revenues and expenses. The Authority first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 1. NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents - The Authority considers all liquid investments with original maturities of three months or less to be cash equivalents. The Authority defines cash and cash equivalents used in the statement of cash flows as all cash and liquid investments with original maturities of three months or less (both restricted and unrestricted).

Medical Service Program Fees - The City of Tulsa and the City of Oklahoma City each approved an ordinance establishing a Medical Service Program offering Total Care (now EMSAcare) program membership to single-family and multi-family residential water customers within the corporate limits of either city unless they affirmatively decline participation in the program. Medical Service Program Fees are assessed monthly on the residents' water bill. These funds essentially reimburse the Authority for unpaid medical services provided under the EMSAcare program. Certain eligibility requirements are to be met for the Authority to receive the fees, therefore revenue is recognized when all recognition criteria have been met. The Medical Service Program was effective July 1, 2007 for the City of Tulsa and December 16, 2008 for the City of Oklahoma City. Medical service program fees funded \$10,416,000 and \$10,523,000 of the noncapital subsidies on the statement of revenues, expenses, and changes in net position for the year ended June 30, 2024 and 2023, respectively and are further described in Note 11. Unpaid medical services provided by the Authority under the EMSAcare program were \$17,041,000 and \$14,183,000 for the year ended June 30, 2024 and 2023, respectively. They are recorded as deductions from patient revenue and included in net operating revenue on the statement of revenues, expenses, and changes in net position for the year ended June 30, 2024 and 2023.

Risk Management - The Authority is exposed to various risks of loss from torts; theft of, damage to and destruction of asset; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters, except for errors and omissions. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Patient Accounts Receivable - The Authority reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Authority provides an allowance for collectible accounts based upon a review of outstanding receivables, historical collection and existing economic conditions.

Capital Assets - Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation if acquired by contribution. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used by the Authority:

Buildings and leasehold improvements	7 - 12 years
Ambulances and other transportation equipment	4 - 6 years
Communications and data processing equipment	3 - 5 years
Other equipment	3 - 7 years

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 1. NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences - The Authority's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits and are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as an expense when the time off occurs; no liability is accrued for sick leave benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at the date. The compensated absences liability as of June 30, 2024 and 2023 was \$1,380,353 and \$1,267,146, respectively. The estimated compensated absences liability is expected to be used within one year after the statement of net position date and is included in current liabilities.

Quality Assurance Fund Payable - The Quality Assurance Fund is administered by the Authority on behalf of the Medical Control Board (MCB) to fund the activities and expenses of the MCB. The MCB serves as the regulatory, policy-setting and fact-finding body in providing medical oversight for the regulated service area. The Authority carries a liability on its Statement of Financial Position for funding received in excess of expenses for each fiscal period. As of June 30, 2024 and 2023, this amounted to \$438,124 and \$559,965, respectively.

Net Position - Net position of the Authority represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balance of borrowings used to finance the purchase or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, the Authority first applies restricted resources. Unrestricted net position is remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted.

Net Patient Service Revenue and Contractual Allowances - The Authority has agreements with third-party payers that provide for payments to the Authority at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and a provision for uncollectible accounts. Included in net patient service revenue are the revenues generated by the Total Care membership program.

Income Taxes - The Authority is exempt from taxation under Section 115 of the Internal Revenue Code and a similar provision of state law as a political subdivision of the beneficiaries of the trust. However, the Authority is subject to federal income tax on any unrelated business taxable income.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 1. NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification - Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

Subsequent Events - These financial statements considered subsequent events through September 30, 2024, the date the financial statements were available to be issued.

### 2. CASH AND CASH EQUIVALENTS

As of June 30, 2024 and 2023, the Authority's deposits consisted of checking accounts. The Authority had no investments. Custodial credit risk is the risk that in the event of a bank failure the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities or the state of Oklahoma; bonds of any city, county, school district or special road district of the state of Oklahoma; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

As of June 30, 2024 and 2023, all of the Authority's bank balances and deposits were collateralized or insured and were not exposed to custodial credit risk.

### 3. BUSINESS AND CREDIT RISKS

The Authority provides emergency medical services for the residents of the City of Tulsa and the City of Oklahoma City and certain cities surrounding the City of Tulsa and the City of Oklahoma City. The Authority provides emergency services to anyone who requests it regardless of the patient's ability or willingness to pay for such services. The Authority does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, health maintenance organizations and commercial insurance policies).

Due to the nature of the services it provides and the demographics of the population it serves, the Authority is subject to significant credit risk and high rates of uncollectible accounts.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 4. PATIENT ACCOUNTS RECEIVABLE

The Authority grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements. Patient accounts receivable as of June 30, 2024 and 2023 consisted of:

	2024	2023
Medicare	\$ 2,885,625	\$ 3,597,961
Medicaid	3,487,446	4,484,679
Other third-party payors	9,406,798	9,480,805
Patients	50,923,800	43,802,036
	66,703,669	61,365,481
Less allowance for bad debts and contractual allowances	51,082,576	48,209,910
	\$ 15,621,093	\$ 13,155,571

### 5. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2024 and 2023 was:

	2024				Ending Balance
	Beginning Balance	Additions	Transfers	Disposals	
Non-depreciable, land	\$ 64,200	\$ --	\$ --	\$ --	\$ 64,200
Non-depreciable, construction in process	1,134,501	13,624,941	(12,420,810)	(5,693)	2,332,939
Total nondepreciable assets	1,198,701	13,624,941	(12,420,810)	(5,693)	2,397,139
Depreciable:					
Buildings and leasehold improvements	14,931,548	--	1,594,179	(379,323)	16,146,404
Ambulances and other transportation equipment	35,724,290	--	10,158,423	(12,962,896)	32,919,817
Communications and data processing equipment	12,793,399	--	597,194	(7,999,696)	5,390,897
Other equipment	3,189,105	--	71,014	(1,207,329)	2,052,790
Total depreciable assets	66,638,342	--	12,420,810	(22,549,244)	56,509,908
Less accumulated depreciation:					
Buildings and leasehold improvements	5,791,274	913,272	(15,901)	(354,163)	6,334,482
Ambulances and other transportation equipment	24,873,498	2,934,182	99,548	(12,823,814)	15,083,414
Communications and data processing equipment	12,119,411	350,484	25,785	(7,999,697)	4,495,983
Other equipment	3,108,936	54,494	(109,432)	(1,207,329)	1,846,669
Total accumulated depreciation	45,893,119	4,252,432	--	(22,385,003)	27,760,548
Total capital assets being depreciated, net	20,745,223	(4,252,432)	12,420,810	(164,241)	28,749,360
Capital assets, net	\$ 21,943,924	\$ 9,372,509	\$ --	\$ (169,934)	\$ 31,146,499

**EMERGENCY MEDICAL SERVICES AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS (CONTINUED)**

	2023				
	Beginning Balance	Additions	Transfers	Disposals	Ending Balance
Non-depreciable, land	\$ 64,200	\$ --	\$ --	\$ --	\$ 64,200
Non-depreciable, construction in process	--	8,515,614	(7,381,113)	--	1,134,501
Total non-depreciable assets	<u>64,200</u>	<u>8,515,614</u>	<u>(7,381,113)</u>	<u>--</u>	<u>1,198,701</u>
Depreciable:					
Buildings and leasehold improvements	14,787,865	--	143,683	--	14,931,548
Ambulances and other transportation equipment	30,159,170	--	7,146,486	(1,581,366)	35,724,290
Communications and data processing equipment	12,718,121	--	75,278	--	12,793,399
Other equipment	<u>3,173,439</u>	<u>--</u>	<u>15,666</u>	<u>--</u>	<u>3,189,105</u>
Total depreciable assets	<u>60,838,595</u>	<u>--</u>	<u>7,381,113</u>	<u>(1,581,366)</u>	<u>66,638,342</u>
Less accumulated depreciation:					
Buildings and leasehold improvements	4,922,149	869,125	--	--	5,791,274
Ambulances and other transportation equipment	24,078,694	1,923,851	--	(1,129,047)	24,873,498
Communications and data processing equipment	11,931,588	187,823	--	--	12,119,411
Other equipment	<u>3,068,390</u>	<u>40,546</u>	<u>--</u>	<u>--</u>	<u>3,108,936</u>
Total accumulated depreciation	<u>44,000,821</u>	<u>3,021,345</u>	<u>--</u>	<u>(1,129,047)</u>	<u>45,893,119</u>
Total capital assets being depreciated, net	<u>16,837,774</u>	<u>(3,021,345)</u>	<u>7,381,113</u>	<u>(452,319)</u>	<u>20,745,223</u>
Capital assets, net	<u>\$ 16,901,974</u>	<u>\$ 5,494,269</u>	<u>\$ --</u>	<u>\$ (452,319)</u>	<u>\$ 21,943,924</u>

**6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses included in current liabilities as of June 30, 2024 and 2023 consisted of:

	2024	2023
Payable to suppliers and contractors	\$ 3,942,263	\$ 4,076,364
Accrued expenses (including payroll taxes and benefits)	<u>3,948,369</u>	<u>3,417,410</u>
	<u>\$ 7,890,632</u>	<u>\$ 7,493,774</u>

**7. LINE OF CREDIT**

The Authority had a revolving line of credit with Prosperity Bank in the amount of \$2,000,000 which expired November 18, 2023 and was not renewed. As of June 30, 2024, there were no amounts borrowed and outstanding against the line of credit.



**EMERGENCY MEDICAL SERVICES AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. LONG-TERM DEBT**

Long-term debt consisted of the following at June 30, 2024:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Term note for building expansion	\$ 1,649,376	\$ --	\$ 722,603	\$ 926,773	\$ 739,298

Long-term debt consisted of the following at June 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Term note for building expansion	\$ 2,355,796	\$ --	\$ 706,420	\$ 1,649,376	\$ 722,603

On July 1, 2015, the Authority entered into an agreement with Prosperity Bank for a \$5,500,000 secured term loan for purposes of financing the construction of a building addition to its headquarters building in Tulsa, Oklahoma. The note bears interest at 2.25% on the outstanding balance. Quarterly principal and interest payments commence on October 15, 2017 and end on July 15, 2025. The loan agreement requires compliance with a financial covenant to maintain in the Eastern Division annual net revenues at least equal to 1.25 times the average annual principal and interest on the loan. Aggregate maturities during the next five years will be as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2025	\$ 739,298	\$ 14,865	\$ 754,163
2026	187,475	1,066	188,541
	<u>\$ 926,773</u>	<u>\$ 15,931</u>	<u>\$ 942,704</u>

**9. RETIREMENT PLAN**

The Authority instituted The Emergency Medical Services Authority 457(b) Matching Plan (Matching Plan) effective December 1, 2020. The Matching Plan is a contributory defined contribution plan and is available for all employees who have attained the age of 18 and completed at least 500 hours of service. The Matching Plan provides for full vesting immediately upon participation in the Matching Plan. Under the provisions of the Matching Plan, the Authority will match up to 6% of total compensation paid. The Authority matches the employees' contribution at the end of the plan year, which is December 31st. Total contributions made by the Authority were \$1,302,847 and \$1,087,401 for years ended June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, there was \$799,711 and \$625,256 accrued for matching contributions, respectively.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 9. RETIREMENT PLAN (CONTINUED)

The Authority administers and maintains a noncontributory defined contribution plan. The Emergency Medical Services Authority Money Purchase Pension Plan (Plan) was available for all employees who met certain eligibility requirements before new enrollments into the plan were discontinued on December 1, 2020. All participating employees are fully vested in the Plan. Under the provisions of the Plan, the Authority will continue to contribute 10% of total compensation paid. Benefits payable under the Plan are limited to the amount of Plan assets allocable to the account of each participant. Total contributions to the retirement Plan for the years ended June 30, 2024 and 2023 were \$284,971 and \$324,678, respectively. At June 30, 2024 and 2023, \$277,020 and \$284,971, respectively, were due from the Authority to the Plan for contributions. There were no forfeitures used to pay administrative expenses or to reduce Authority contributions during fiscal years ending June 30, 2024 and 2023.

### 10. LITIGATION

In the normal course of business, the Authority is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Authority's commercial insurance; for example, performance of contracts. The Authority evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

On September 9, 2020, the Authority filed suit against its ambulance contractor (AMRAS) to collect monies owed to it under certain provisions of its contract. The Authority accrued a \$16 million receivable related to this arrangement that was fully reserved. In addition, the Authority recorded a \$16 million payable to AMRAS that they withheld payment on until the matter was settled. In October 2022, the Authority and AMRAS settled the lawsuit which resulted in the recognition of \$5,339,896 of revenue associated with provision of the contract and is included in operating revenue on the Authority's Statement of Revenues, Expenses, and Changes in Net Position. This fully settled all amounts owed to the Authority by AMRAS and all amounts owed to AMRAS by the Authority.

### 11. RELATED PARTY TRANSACTIONS

When assets are purchased by the cities of Tulsa or Oklahoma City for the benefit of the Authority, the cities hold title to the assets and the Authority is responsible for managing the assets. During the year ended June 30, 2024, and June 30, 2023, the City of Oklahoma City and the City of Tulsa purchased no equipment for the Authority's use. The cumulative cost of capital assets purchased in prior fiscal years by the City of Oklahoma City and currently in service for the Authority's use is \$9,246,781 as of June 30, 2024, and June 30, 2023, respectively. There are no assets still in service that were purchased in prior fiscal years by the City of Tulsa. If the Authority retained ownership of the assets in the Western Division, the accompanying statement of operations would reflect additional depreciation expense of \$1,734,099 for 2024 and \$1,560,586 for 2023.

# EMERGENCY MEDICAL SERVICES AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

### 11. RELATED PARTY TRANSACTIONS (CONTINUED)

During the years ended June 30, the Authority also conducted the following transactions with related entities:

	<u>2024</u>	<u>2023</u>
Payments from the City of Tulsa for medical services program fees	<u>\$ 5,040,000</u>	<u>\$ 4,800,000</u>
Payments from the City of Oklahoma City for medical services program fees	<u>\$ 5,376,000</u>	<u>\$ 5,723,000</u>

The above payments are included in capital and noncapital subsidies on the statement of revenues, expenses and changes in net position.

### 12. PENDING GOVERNMENTAL ACCOUNTING STANDARDS

GASB Statement No. 101, *Compensated Absences*, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for financial statements for the Authority's fiscal year ending June 30, 2024. The Authority is evaluating the potential effects on the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the Authority's fiscal year ending June 30, 2026. The Authority is evaluating the potential effects on the financial statements.

## SUPPLEMENTARY SCHEDULES

**EMERGENCY MEDICAL SERVICES AUTHORITY**

**SUPPLEMENTARY INFORMATION OF OPERATING DIVISIONS**

Statement of Net Position Information

June 30, 2024

**ASSETS**

	<b><u>Eastern Division</u></b>	<b><u>Western Division</u></b>	<b><u>Eliminations</u></b>	<b><u>Total</u></b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 14,016,804	\$ 1,636,347	\$ --	\$ 15,653,151
Patient accounts receivable, net	6,511,400	9,109,693	--	15,621,093
Grant receivables	223,249	--	--	223,249
Other receivables	183,026	141,662	--	324,688
Interdivision receivables	2,804,662	--	(2,804,662)	--
Prepaid expenses	662,906	698,248	--	1,361,154
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	24,402,047	11,585,950	(2,804,662)	33,183,335
Capital assets, non-depreciable	1,377,513	1,019,626	--	2,397,139
Capital assets, net of depreciation	13,945,339	14,804,021	--	28,749,360
Other assets	8,274	3,946	--	12,220
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 39,733,173</u>	<u>\$ 27,413,543</u>	<u>\$ (2,804,662)</u>	<u>\$ 64,342,054</u>

**LIABILITIES AND NET POSITION**

	<b><u>Eastern Division</u></b>	<b><u>Western Division</u></b>	<b><u>Eliminations</u></b>	<b><u>Total</u></b>
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 6,541,505	\$ 1,349,127	\$ --	\$ 7,890,632
Quality assurance fund payable	438,124	--	--	438,124
Current maturities of long-term debt	739,298	--	--	739,298
Interdivision payable	--	2,804,662	(2,804,662)	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	7,718,927	4,153,789	(2,804,662)	9,068,054
Long-term debt, less current maturities	187,475	--	--	187,475
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	7,906,402	4,153,789	(2,804,662)	9,255,529
<b>NET POSITION</b>				
Net investment in capital assets	14,396,079	15,823,647	--	30,219,726
Unrestricted	17,430,692	7,436,107	--	24,866,799
	<hr/>	<hr/>	<hr/>	<hr/>
Total net position	31,826,771	23,259,754	--	55,086,525
Total liabilities and net position	<u>\$ 39,733,173</u>	<u>\$ 27,413,543</u>	<u>\$ (2,804,662)</u>	<u>\$ 64,342,054</u>

**EMERGENCY MEDICAL SERVICES AUTHORITY**

SUPPLEMENTARY INFORMATION OF OPERATING DIVISIONS

Statement of Net Position Information

June 30, 2023

**ASSETS**

	<b><u>Eastern Division</u></b>	<b><u>Western Division</u></b>	<b><u>Eliminations</u></b>	<b><u>Total</u></b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 5,961,785	\$ 9,671,063	\$ --	\$ 15,632,848
Patient accounts receivable, net	5,425,489	7,730,082	--	13,155,571
Grant receivables	214,319	--	--	214,319
Other receivables	1,241,850	1,573,839	--	2,815,689
Interdivision receivables	10,821,486	--	(10,821,486)	--
Prepaid expenses	536,628	465,653	--	1,002,281
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	24,201,557	19,440,637	(10,821,486)	32,820,708
Capital assets, non-depreciable	679,286	519,415	--	1,198,701
Capital assets, net of depreciation	9,237,199	11,508,024	--	20,745,223
Other assets	8,266	7,467	--	15,733
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 34,126,308</u>	<u>\$ 31,475,543</u>	<u>\$ (10,821,486)</u>	<u>\$ 54,780,365</u>

**LIABILITIES AND NET POSITION**

	<b><u>Eastern Division</u></b>	<b><u>Western Division</u></b>	<b><u>Eliminations</u></b>	<b><u>Total</u></b>
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 6,392,891	\$ 1,100,883	\$ --	\$ 7,493,774
Quality assurance fund payable	559,965	--	--	559,965
Current maturities of long-term debt	722,603	--	--	722,603
Interdivision payable	--	10,821,486	(10,821,486)	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	7,675,459	11,922,369	(10,821,486)	8,776,342
Long-term debt, less current maturities	926,773	--	--	926,773
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>				
Net investment in capital assets	8,267,109	12,027,439	--	20,294,548
Unrestricted	17,256,967	7,525,735	--	24,782,702
	<hr/>	<hr/>	<hr/>	<hr/>
Total net position	25,524,076	19,553,174	--	45,077,250
Total liabilities and net position	<u>\$ 34,126,308</u>	<u>\$ 31,475,543</u>	<u>\$ (10,821,486)</u>	<u>\$ 54,780,365</u>

**EMERGENCY MEDICAL SERVICES AUTHORITY**

SUPPLEMENTARY INFORMATION OF OPERATING DIVISIONS

Statement of Revenues, Expenses and Changes in Net Position Information

Year Ended June 30, 2024

	<u>Eastern Division</u>	<u>Western Division</u>	<u>Eliminations</u>	<u>Total</u>
<b>OPERATING REVENUE, NET</b>	\$ 42,259,001	\$ 53,317,270	\$ --	\$ 95,576,271
<b>OPERATING EXPENSES</b>				
Contracted professional services	1,570,244	1,734,398	--	3,304,642
Salaries, wages and benefits	30,563,194	41,834,398	--	72,397,592
Lease, maintenance and utilities	4,399,752	4,733,848	--	9,133,600
Medical supplies and other	3,594,871	5,251,529	--	8,846,400
Grant expenditures	671,972	--	--	671,972
Depreciation	2,015,386	2,237,046	--	4,252,432
Total operating expenses	42,815,419	55,791,219	--	98,606,638
Operating income (loss)	(556,418)	(2,473,949)	--	(3,030,367)
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Investment income	360,922	344,623	--	705,545
Interest expense	(31,560)	--	--	(31,560)
Gain (loss) on disposal of fixed assets	(160)	(39,906)	--	(40,066)
Noncapital grants and contributions	748,944	--	--	748,944
Capital and noncapital subsidies	5,780,967	5,875,812	--	11,656,779
Total nonoperating revenues	6,859,113	6,180,529	--	13,039,642
<b>Change in net position</b>	6,302,695	3,706,580	--	10,009,275
Net position, beginning of year	25,524,076	19,553,174	--	45,077,250
Net position, end of year	\$ 31,826,771	\$ 23,259,754	\$ --	\$ 55,086,525

**EMERGENCY MEDICAL SERVICES AUTHORITY**

**SUPPLEMENTARY INFORMATION OF OPERATING DIVISIONS**

Statement of Revenues, Expenses and Changes in Net Position Information

Year Ended June 30, 2023

	<u>Eastern Division</u>	<u>Western Division</u>	<u>Eliminations</u>	<u>Total</u>
<b>OPERATING REVENUE, NET</b>	\$ 42,571,272	\$ 48,886,392	\$ --	\$ 91,457,664
<b>OPERATING EXPENSES</b>				
Contracted professional services	1,898,107	2,109,358	--	4,007,465
Salaries, wages and benefits	30,226,865	38,846,998	--	69,073,863
Lease, maintenance and utilities	3,948,491	4,876,748	--	8,825,239
Medical supplies and other	3,937,761	5,613,898	--	9,551,659
Grant expenditures	674,630	--	--	674,630
Depreciation	1,668,430	1,352,915	--	3,021,345
Total operating expenses	<u>42,354,284</u>	<u>52,799,917</u>	<u>--</u>	<u>95,154,201</u>
Operating income (loss)	<u>216,988</u>	<u>(3,913,525)</u>	<u>--</u>	<u>(3,696,537)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Investment income	59,825	63,834	--	123,659
Interest expense	(47,745)	--	--	(47,745)
Gain (loss) on disposal of fixed assets	57,840	(132,478)	--	(74,638)
Noncapital grants and contributions	712,445	--	--	712,445
Capital and noncapital subsidies	5,610,394	6,661,090	--	12,271,484
Total nonoperating revenues	<u>6,392,759</u>	<u>6,592,446</u>	<u>--</u>	<u>12,985,205</u>
<b>Change in net position</b>	6,609,747	2,678,921	--	9,288,668
Net position, beginning of year	<u>18,914,329</u>	<u>16,874,253</u>	<u>--</u>	<u>35,788,582</u>
Net position, end of year	<u>\$ 25,524,076</u>	<u>\$ 19,553,174</u>	<u>\$ --</u>	<u>\$ 45,077,250</u>